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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the period ended March 31, 1992

or

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

PROCESSED BY
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Commission File Number 0-9570

LUTHER MEDICAL PRODUCTS, INC.
(Exact name of registrant as specified in its charter)

CALIFORNIA (State or other jurisdiction of incorporation or organization)	**33-0468235** (I.R.S. Employer Identification No.)

14332 CHAMBERS ROAD, TUSTIN, CA 92680
(Address of principal executive offices) (Zip Code)

(714) 544-3002
(Registrant's telephone number, including area code)
(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

[X] Yes [ ] No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock No Stated Par Value--2,488,491 shares as of March 31, 1992

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PART I - FINANCIAL INFORMATION

LUTHER MEDICAL PRODUCTS, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS	MAR. 31 1992 (Unaudited)	JUNE 30 1991
CURRENT ASSETS		
Cash and cash equivalents	$402,432	$147,070
Accounts receivable - net	258,714	297,424
Inventories - Note C	573,292	648,661
Other current assets	89,598	49,615
TOTAL CURRENT ASSETS	1,324,036	1,142,770
PROPERTY AND EQUIPMENT	691,480	504,402
Less allowances for depreciation	(363,976)	(316,235)
PROPERTY AND EQUIPMENT - NET	327,504	188,167
EMG SOFTWARE	165,116	205,274
PURCHASED COMPUTER SOFTWARE - NET	116,894	158,141
TECHNOLOGY RIGHTS - NET	21,549	43,113
PURCHASE PRICE IN EXCESS OF NET ASSETS ACQUIRED	30,345	40,470
OTHER ASSETS	24,522	26,691
	$2,009,968	$1,804,626
LIABILITIES & STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes payable	$26,181	$235,789
Accounts payable	168,626	298,630
Accrued payroll and related expenses	78,644	86,188
Other accrued liabilities	122,341	142,220
TOTAL CURRENT LIABILITIES	395,792	762,827
LONG TERM DEBT	276,265	276,265
DEFERRED REVENUES	127,778	341,536
OBLIGATIONS UNDER CAPITAL LEASES	10,324	13,214
STOCKHOLDERS' EQUITY		
Preferred stock - no stated par value; 10,000,000 shares authorized; none issued		
Common stock - no stated par value; 25,000,000 shares authorized; issued and outstanding 2,488,491 on March 31, 1992 and 2,008,871 on June 30, 1991	8,225,898	8,674,615
Notes receivable from stockholders	(205,844)	(209,942)
Accumulated deficit	(6,820,247)	(8,053,889)
NET STOCKHOLDERS' EQUITY	1,199,807	410,784
	$2,009,968	$1,804,626

See notes to condensed consolidated financial statements.

LUTHER MEDICAL PRODUCTS, INC. AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three Months Ended March 31		Nine Months Ended March 31	
	1992	1991	1992	1991
Revenues	$562,811	$542,343	$2,010,471	$1,774,249
Costs and Expenses:				
Cost of sales	533,178	276,611	1,229,010	973,732
Selling, general and administrative	366,171	285,863	992,084	751,417
Extraordinary legal expenses	67,120		67,120	
Research and development	107,458	78,179	278,523	206,373
Depreciation and amortization	55,353	56,324	180,537	171,411
Interest expense	7,213	8,752	27,519	16,507
Other (income) expense	2,038	———	2,038	(5,000)
Total costs and expenses	1,138,531	705,729	2,776,831	2,114,440
Net loss	$575,720	$163,386	$766,360	$340,191
Weighted average number of shares outstanding ('000)	2,483	1,980	2,312	1,980
Loss per share	$.23	$.08	$.33	$.17

See notes to condensed consolidated financial statements.

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LUTHER MEDICAL PRODUCTS, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED MARCH 31, (UNAUDITED)

	1992	1991
OPERATING ACTIVITIES:		
Net income (loss)	$(766,360)	$(340,191)
Adjustments to reconcile let loss to net cash used by operating activities:		
Depreciation and amortization	180,537	171,411
Recognition of deferred revenue	(213,758)	(99,373)
Changes in operating assets and liabilities:		
(Increase) decrease in accounts and other receivables	38,710	153,873
(Increase) decrease in inventories	75,369	(141,097)
Increase in prepaid expenses and other assets	(39,983)	(60,912)
Decrease in accounts payable	(130,004)	(30,444)
Increase (decrease) in accrued payroll and related expenses	(7,544)	20,198
Decrease in other accrued liabilities	(22,298)	(39,988)
Net cash used by operating activities	(885,331)	(366,523)
INVESTING ACTIVITIES:		
Purchases of property and equipment	(204,611)	(74,042)
Increase (decrease) in non current liabilities	(2,888)	8,336
Net cash used by investing activities	(207,499)	(65,706)
FINANCING ACTIVITIES:		
Proceeds from sales of common stock	1,551,283	8,747
Proceeds from notes receivable from stockholder	4,098	8,525
Proceeds from notes payable and long term debt		400,000
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	255,362	(95,132)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	147,070	135,473
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$402,432	$40,341
Payment of notes payable	(199,290)	(65,633)
Principal payments on capital lease obligations	(7,899)	(14,542)
Net cash provided by financing activities	1,348,192	337,097

See notes to condensed consolidated financial statements.

LUTHER MEDICAL PRODUCTS, INC. AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

MARCH 31, 1992

NOTE A - BASIS OF PREPARATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month period ending March 31, 1992 are not necessarily indicative of the results that may be expected for the year ended June 30, 1992. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K.

NOTE B - LOSS PER SHARE

Loss per share is calculated using the weighted average number of shares outstanding. Common stock equivalents were not included because their effect would be anti-dilutive.

NOTE C - INVENTORIES

At March 31, inventories consisted of:

	1992	1991
Raw material	$233,870	$344,868
Work in process	88,561	228,076
Finished goods	250,861	107,351
	$573,292	$611,394

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Total consolidated revenues for the third quarter of 1992 were $562,811, an increase of 3.8% compared with total revenues of $542,343 for the third quarter of 1991. The Company's catheter products generated revenues of $225,700 as compared to $184,959 for the prior year's period, an increase of 22%. This growth reflects increased sales of the recently introduced "PICC" (peripherally-inserted central catheter) and Neonate catheters. The Company's third-party packaging agreement has been phased out, which amounted to revenues of approximately $5,000 during the third quarter of 1992 as compared to approximately $54,000 for the same period last year. The Company's wholly owned subsidiary Neuro Diagnostics, Inc. (NDI) contributed revenues of $286,446 as compared to $307,850 for the prior year's quarter, a decrease of $21,404 or approximately 7%. Royalty income increased slightly from $49,533 in the prior year's quarter to $50,663 for this year's quarter. Unit sales of the PROTECTIV ^{tm} stickless catheter system by Critikon Inc. a Johnson & Johnson Company increased by 66%, however, the royalty rate per catheter sold dropped from $.05 to $.03 effective April 1, 1991. For the first nine months of fiscal 1992 total revenues increased over last year's period by 13% to $1,774,249.

Cost of sales as a percentage of net sales increased from 51.0% to 94.7% for the third quarter of 1992 over the prior year's period. For the first nine months of 1992, cost of sales were 61.1% as compared to 54.9% in the first nine months of 1991. The increase for both periods is primarily due to a $188,000 inventory write-off for obsolete and slow moving components. Excluding the $188,000 inventory write-off, cost of sales as a percentage of sales would have been 61.3% for the third quarter of 1992 and 51.8% for the first nine months of 1992.

Net loss for the third quarter of 1992 amounted to $575,720 as compared to a net loss of $163,386 in 1991. Net loss for the first nine months of fiscal 1992 was $766,360 as compared to a net loss of $340,191 for the same period last year. The inventory write-off ($188,000) and higher operating expenses, specifically extraordinary legal expenses ($67,000) as a result of the Company entering into a distribution and research and development agreement with Pharmacia Deltec Inc. resulted in the increased net loss for both the quarter and the first nine months of 1992.

Working capital was approximately $928,000 at 3/31/1992 compared with approximately $380,000 at 6/30/1991. Total current assets increased by approximately $181,000. Cash increased by approximately $255,000. In March of 1992 Pharmacia Deltec Inc. advanced $100,000 as part of an 8% Convertible Note to the Company. These funds were used to reduce the note payable to Johnson & Johnson Finance Corporation to approximately $202,000 and to accelerate the payback period by 10 months. Accounts receivable decreased by approximately $39,000, inventories decreased by approximately $75,000 and other current assets increased by approximately $40,000. Total current liabilities decreased by approximately $367,000 which is primarily due to a reduction in accounts payable and notes payable.

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PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits - None

(b) Reports on Form 8-K

Form 8-K dated March 31, 1992 reporting the execution of a five year Distribution Agreement, a Research and Development Agreement and a Loan and Security Agreement with Pharmacia Deltec Inc. as well as the expansion of the Board of Directors to seven directors.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LUTHER MEDICAL PRODUCTS, INC.

By: _____
Elton L. Epley
Chief Financial Officer

Date: 5/12/92